GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:6973
ANSWERED ON:13.05.2002
GREENFIELD AIRPORT PROJECTS
SUBODH MOHITE

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the Government have drawn any strategy to promote the setting up of greenfield airport projects in the country;

(b) if so, the details thereof;

(c) whether the Government propose to levy an advance development fee at the existing airports for their further developments;

(d) if so, the details thereof;

(e) if not, the reasons therefor; and

(f) the details of the greenfield airport projects under consideration of the Government at present?

Answer

THE MINISTER OF CIVIL AVIATION (SHRI SYED SHAHNAWAZ HUSSAIN)

(a), (b), (c), (d) & (e) : The policy of the Government to promote greenfield airports is laid down in the Policy on Airport Infrastructure, promulgated in December, 1997. The policy inter-alia provides for fiscal incentives to the infrastructure projects, such as construction of greenfield airports. Recently Government has also announced a package of concessions to encourage private sector participation in greenfield airports which, inter alia, provides for exemption from levy of Inland Air Travel Tax(IATT) and Foreign Travel Tax (FTT)on departing passengers for projects located in States that charge sales tax on Aviation Turbine Fuel (ATF) at Central Sales Tax rate, levy of Advanced Development Fee (ADF)at existing airports to finance new airports, and levy of Users Development Feeat new airports.

(f) : The Greenfield airports located at Shamshabad nearHyderabad and Devanahalli near Bangalore are being developedas Joint Ventures on Build Own Operate basis. The strategicpartner from the private sector will hold 74% stake in the projects. The respective State Governments or their designated agencies shall hold 13% equity. Airports Authority of India (AAI) will hold 13% equity subject to a cap of Rs.50 crores in each project. The preferred Bidderidentified for the project at Shamshabad is a consortium led by GMR Vasavi and Malaysian Airport Holdings Berhard. ForDevanahalli Project, the strategic joint venture partner is a consortium led by Siemens of Germany with Unique Zurich ofSwitzerland and Larsen and Toubro India Ltd. as the other members of the Consortia. The Shareholders Agreement has been signed on 23rd January, 2002 for Devanahalli airport project. Further actions for signing of various agreements and achieving financial closure will be taken by the respective State Governments. The Government has also approved setting up of a new international airport at Mopa in Goa.